

**REMARKS**

Applicant thanks the Examiner for the interview on April 2, 2004. During the interview, applicants explained the claimed invention in the context of the independent claims, and distinguished the claims from Sharp and Webber. The foregoing amendments were also discussed, along with a high level view of the following arguments.

**DRAWINGS**

Although the detailed action does not mention drawings, the cover sheet states that the "proposed drawing correction filed on 17 June 2003" is approved. It also states that "If approved, corrected drawings are required in reply to this Office Action." Applicant notes that the drawings submitted with its response dated June 12, 2003 were, as the response states on page 16, "Four sheets of formal drawings."

Therefore, to clarify the record, Applicant understands that no additional drawings need to be submitted.

**AMENDMENTS RELATING TO "AGREEMENT"**

In accordance with the Examiner's suggestion, the Applicant has amended the claims so that "relationship" now states "agreement." No change in scope of the claims is intended by this change.

**SECTION 101**

Many of the claims were rejected under 35 U.S.C. § 101. Applicant has amended the claims as follows:

[Claim 1] processing the information stored for the first agreement with a computer processor, wherein the processor determines whether a second agreement stored in the computer-accessible memory identifies the seller in said first agreement as a buyer in the second agreement, and determines whether the product in the second agreement relates to the product in the first

agreement, and returns the identity of a second agreement depending on the result,

[Claim 21] causing a computer processor to retrieve said agreement from said computer-accessible memory based on the identity of said product and the identity of said mid-level member associated with said customer request, wherein the agreement identifies the mid-level member as the recipient of the product provided by the top-level member;

said processor using the retrieved agreement to generate a second request that said top-level member provide said product to said mid-level member, said second request identifying said typesetting information;

[Claim 35] causing a computer processor to process the first agreement information so to retrieve said second agreement information based on the identity of whether the computer-accessible memory indicates that the second entity is indicated as being both a seller in the first agreement information and a buyer in the second agreement information.

[Claim 41] causing a computer processor to generate a request for said product from said second entity to the third entity, wherein the processor determines whether the second entity is common to the stored agreements, and wherein the processor includes the personalization information in the request from said second entity to said third entity

[Claim 43] generating, with a computer processor, a second purchase order from said second member to a third member based on the processor's determination of whether a third agreement is stored in the database such the second member is indicated as a purchaser of the product from the third member, said purchase order including said image

Withdrawal of the Section 101 rejection is respectfully requested.

#### **REJECTIONS BASED ON PRIOR ART**

The Examiner rejected all of the claims based on various combinations of different references. However, every

combination depended on at least one of the following references: Sharp U.S. Patent No. 6,263,317 or Webber, U.S. Patent No. 6,167,378. However, neither reference, alone or in combination with others, teaches the claimed invention.

Claim 1 states that a processor determines whether a second agreement stored in the computer-accessible memory identifies the seller in the first agreement as a buyer in the second agreement. It also determines whether the product in the second agreement relates to the product in the first agreement. The processor then returns the identity of the second agreement depending on the result.

In other words, one of the features of the invention of claim 1 is that it retrieves a second agreement based on whether the seller in a first agreement is also a buyer in the second agreement. Neither Sharp nor Webber retrieves agreements in this fashion.

#### **SHARP**

The Examiner argues that Sharp teaches determining and retrieving relationships dependent on whether a second relationship identifies the seller in said first relationship as a buyer in said second relationship and whether the product in the second relationship relates to said product in the first relationship.

However, in Sharp, when an order comes in, it is allocated to a supplier "according to a distribution channel conflict resolution scheme specified by the manufacturer of the product." Sharp, col. 3, lines 23-25. The patent similarly states "The order is then allocated to a supplier according to web sales channel conflict resolution protocol specified by the manufacturer in stage 321." Sharp, col. 4, lines 12-14. In other words, manufacturers create distribution channels and set

up protocols for insuring that its products stay within those particular channels. See Sharp, col. 1, lines 50-62.

To avoid the conflicts that might arise if a product went outside of its prescribed distribution channel, Sharp teaches that a manufacturer should store conflict resolution schemes that are checked when a product order comes in. Those schemes allocate products to distributors based on who owns the website or a particular protocol. See Sharp, col. 3, lines 26-29. Sample protocols are shown in Figure 4. One scheme for allocating a distributor comprises providing the product directly from the manufacturer. Another scheme selects a distributor based on territory. Another scheme is a catch-all "custom order allocation model" that "can support virtually any model *proposed by a manufacturer.*"

Sharp is accordingly quite different from the claimed invention. First, Sharp is directed to allowing *manufacturers* to choose "*downstream distributors*" based on predefined rules. Sharp, col. 1, lines 45-46. In other words, the ultimate supplier pre-selects the distributors between it and the ultimate purchaser.

The invention of claim 1, on the other hand, starts at the other end of the distribution channel. The manufacturer or ultimate supplier may not be known at all. Rather, a first agreement is retrieved that defines a buyer, seller and product. A computer processor then searches computer memory to determine whether another agreement also lists that seller as a buyer. If so, then a product order is generated from the seller/buyer to another entity pursuant to the identified second agreement. This could, conceivably, continue *ad infinitum* until a seller is finally found that is not listed as a buyer.

In sum, whereas Sharp teaches selecting downstream distributors, claim 1 is directed to finding and identifying upstream agreements.

Second, even if Sharp did teach generating product orders up the distribution chain as compared to down, Sharp is still distinguishable from claim 1.

Sharp simply does not disclose retrieving a second agreement based on a first agreement, whereby the second agreement is retrieved by determining whether the seller in the first agreement is also a buyer in the second agreement for the same or related product. Rather, Sharp teaches either foregoing retrieval of a second agreement (by direct distribution), selecting a distributor based on zip code, or some other predefined -- yet undefined -- custom protocol. See Sharp, Figure 4.

As explained at the interview, Sharp is thus contrary to the claimed invention. Sharp is concerned about making sure that products go down a particular distribution channel. The claimed invention, on the other hand, creates the distribution channel and moves upstream as it goes along, determining the channel based on whether an entity is listed as both a buyer and a seller for the same or related product.

In sum, Sharp does not teach the retrieval and related steps of invention of claim 1 because it fails to identify second agreements by determining whether the seller in the first agreement is also a buyer in the second agreement for the same or related product. Sharp also lacks the advantages of the invention discussed below in connection with Webber.

#### **WEBBER**

Webber was not applied against claim 1, but the Examiner used Webber in a manner similar to Sharp to reject claim 32.

Therefore, applicant will discuss Webber in the context of claim 1 as well.

Webber similarly fails to suggest retrieving an upstream agreement by determining whether the seller in the first agreement is identified as a buyer in a second agreement.

Although Webber does retrieve one agreement based on information contained in another agreement, Webber does it in a manner which is quite unsophisticated compared to the invention of claim 1: each contract in Webber contains a pointer to another contract.

As discussed at the interview, the contracts of Webber are hardwired (metaphorically) to each other. Each stored contract contains a linked pointer to another contract. When a sale occurs in one contract, another contract is pulled simply by traversing the link that points directly to another contract.

Indeed, Webber makes it very clear that the contracts must store links to one another. Webber provides only one chart regarding what contract information is stored. See, Webber, col. 20, lines. 49-65. In this regard, Webber specifically teaches that each contract stores its "linkages" to other contracts:

to conduct business. Contracts may include the following:

50	○	the goods or services
	○	the number of goods
	○	the price of the goods or services
	○	terms for execution or ratification of the contract
55	○	"Linkages" and terms for "triggers"
	○	fulfillment instructions
	○	shipping instructions
	○	transactional data to be generated
	○	data to be distributed
	○	approval/deviation terms and methods
60	○	sales tax provisions
	○	EFT instructions
	○	destination of instructions and reports
	○	form of instructions and reports
	○	other terms depending on the transaction or product

Webber, col. 20, lines 50-65.

This is contrary to the invention of claim 1 which, in a more sophisticated fashion, identifies agreements from memory based on whether the seller in the first agreement is identified as a buyer in a second agreement. Claim 1 does not require that one contract be hardwired to another, or even for one contract to "know" that another contract exists.

As explained at the interview, the invention of claim 1 provides numerous advantages over Webber. For one, it avoids the administrative burden of a real person having to determine which contracts are linked to which. Rather, the invention permits an upstream contract to be identified automatically based on the identity of the buyer and seller without prior human intervention. Contracts can be entered into the system, and upstream transactions created, without ever knowing in advance how one contract may relate to others.

Moreover, the present application actually notes that it is advantageous to permit one contract to be completely unaware of the other contracts.

Preferably, the system does not provide members with access to transactions in which the member is not a direct buyer or seller. Often times, a broker will not want a manufacturer to know the identity of the broker's customers lest the manufacturer sell around the broker. Accordingly, although Broker B will be notified of its transactions with Retailer A and Distributor C, Broker B will not be notified of the transactions which are upstream or downstream of those transactions. *In other words, transactions that do not directly involve a member are transparent to that member even if that member is somewhere in the chain of distribution of the product.* This transparency has the added advantage of allowing consumers to buy products on-line and remain anonymous to every entity in the chain of distribution other than the retailer operating the web site. Orders can be passed from the bottom of the chain of distribution, through the middle and to the top, both automatically and substantially anonymously.

Specification, page 31, line 8 to page 32, line 2. (emphasis added).

Webber, on the other hand, teaches the opposite. It states that the second contract's identity should be "evident" from the terms stored for the first contract. According to Webber, the format for contracts stored in the database should be such "that links and pathways between contracts are evident and operational:"

The database includes a digital contracts data base 295, which includes contracts which are recast into digital form. The digital form contract is preferably a standardized form wherein each contractual function is aggregated, and *so that linkages and pathways between contracts are evident and operational.*

Webber, col. 17, lines 10-15.

Even the claims of Webber illustrate the importance which it placed on not only storing the links between the contracts, but also traversing those links to retrieve the next contract:



- "storing, in the database, links between each ratified contract and at least one next contract that relates to the same goods or services and that relates to parties vertically linked in the distribution chain for goods and services" [Claim 1.]
- "storing, in the database, links between each ratified contract and at least one next contract;" [Claim 11.]
- "checking, in the computerized system, whether at least one term of the plurality of terms in the ratified contract indicates that at least one next contract is necessary for a next transaction in the supply chain," [Claim 11.]
- "a plurality of stored links between ratified contracts, including at least one link between the ratified contracts for the transaction in the supply chain between the buyer and the seller and the ratified contract for the transaction in the supply chain between the seller and the supplier that relate to the same goods or services in the distribution chain;" [Claim 14.]
- "wherein the computerized system includes links between ratified and non-ratified contracts in the specified portion, and the links are traversable responsive to a received request to view a specified portion of the database." [Claim 18.]
- "establishing digital linkages between contracts that relate to the same goods or services and that relate to parties vertically linked in the distribution chain for those goods and services " [Claim 23.]

It is clear that Webber not only teaches the use of links, but that the links are of critical importance.

In sum, Webber does not teach the steps of the invention of claim 1 because it fails to identify second agreements by

determining whether the seller in the first agreement is also a buyer in the second agreement for the same or related product.

**OTHER CLAIMS**

Although the remaining claims of the present application are not identical to claim 1, their retrieval of contracts and/or generation of products orders similarly lack Sharp's predefined conflict resolution schemes and Webber's predefined hardwired contract links. The applicant submits that this will be evident from the claim excerpts cited in the foregoing section "AMENDMENTS RELATING TO SECTION 101".

**SUMMARY**

Due to the clarity of the foregoing distinctions, Applicant has not addressed the other distinctions between the claims and the prior art references.

As it is believed that all of the rejections set forth in the Official Action have been fully met, favorable reconsideration and allowance are earnestly solicited. If, however, for any reason the Examiner does not believe that such action can be taken at this time, it is respectfully requested that he/she telephone applicant's attorney at (908) 654-5000 in order to overcome any additional objections which he might have.

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If there are any additional charges in connection with this requested amendment, the Examiner is authorized to charge Deposit Account No. 12-1095 therefor.

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Respectfully submitted,

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